

B2B harmonisation

Implications for JGN and  
our revised proposal

# Background

- Since early 2014, AEMO looking at harmonisation of NSW/ACT B2B and B2M processes with other jurisdictions.

May to Jul 14

Nov 14 to Feb 15

Feb 15 to Apr 16



- Our AA expenditure forecasts were locked-down before scoping phase commenced
- AEMO is due to publish its decision to move to implementation on 24 Feb 15 (3 days before our revised proposal is due)
- Go live Apr 16 (10 months into our next AA period)

# Further information on the AEMO process



The screenshot shows the AEMO (Australian Energy Market Operator) website. The header includes the AEMO logo, a search bar, and links for Glossary, Login, Subscribe, Contact Us, and Follow Us (Twitter, LinkedIn, YouTube, Facebook). The main navigation bar has links for Electricity, Gas, Reports & Documents, News & Events, Consultations (highlighted), About the Industry, and About AEMO.

The breadcrumb trail reads: Home > Consultations > IIR - IN006/14 (Harmonisation of NSW/ACT business to business processes).

## IIR - IN006/14 (Harmonisation of NSW/ACT business to business processes)

This consultation relates to changes that will standardise NSW/ACT gas business to business (B2B) interfaces with other jurisdictions. The changes involve replacing version 14 of the NSW/ACT Retail Market Procedures (RMP) with the new version and add Participant Build Pack 5 to the NSW/ACT Gas Interface Protocol (GIP). The proposed changes also result in significant IT systems changes for AEMO, Retailers and Network Operators.

**IIR - IN006-14 Harmonisation of NSW ACT B2B**  
9 Jan 2015 | 192 KB (.docx) 

**IIR IN006-14 Attachments**  
9 Jan 2015 | 283 KB (.pdf) 

[http://www.aemo.com.au/Consultations/Gas-Consultations/General/IIR-IN006\\_14-Harmonisation-of-NSW ACT-business-to-business-processes](http://www.aemo.com.au/Consultations/Gas-Consultations/General/IIR-IN006_14-Harmonisation-of-NSW_ACT-business-to-business-processes)

# Net benefits identified by AEMO

The NOUS Group (for AEMO) identified the following benefits from the harmonisation project:

- Distribution networks
  - the avoidance of the costs associated with building a new customised NSW/ACT system
  - benefits associated with streamlining new connection processes.
- Retailers:
  - improvements in service and process management, more accurate billing and workforce efficiencies, which will be achieved by standardising operations across jurisdictions; and
  - a reduction in the barriers to entry into the NSW and ACT retail markets because new entrants that are already operating in other retail markets will no longer have to establish a separate system to operate in NSW or the ACT.
- AEMO – improvements in issue resolution.
- All parties – improved reliability and integrity of the data and delivery processes.

# The new obligations fall into three main categories

Timeframes  
for providing  
meter data

Approximately **6 million** reads per annum

Scheduling  
special meter  
reads

Over **250,000** special meter reads per annum

Notification of  
service order  
completion

~**150,000** retailer-initiated service orders per annum  
(excluding special meter reads)

Other requirements include:

- NECF standards for energisation of new connections;
- Other modifications to existing market transactions and additional exception and issue resolution.

# Meeting these obligations - implications for JGN

- There are capex and opex implications from these changes in regulatory obligations, summarised below.

## Opex

- **Additional staff to:**
  - meet stricter market timeframes (contract mgt, schedulers, meter readers, back office staff)
  - handle increased retailer enquiries and issues resolution
  - wad and unwad new connections
- Change internal **procedures** and staff **training**
- Manage increased transaction volumes as retailers utilise harmonised transactions

## Capex

- IT Infrastructure establishment
- Develop and implement **B2B & B2M** services to support service requests (includes services unique to NSW gas market, eg HW and xfr on estimate )
- New market transactions to support **NECF** and **STTM** obligations
- Support new **service level obligations**
- Conduct **Market Certification & Industry Testing** to ensure compliance with service levels and obligations
- Change management and regression testing
- Manage change for major systems including **SAP**, **webMethods**, Customer **Portal**, Itron and others

# Cost recovery approach for discussion

- As we move through the design phase, our cost estimates continue to be refined.
- The ***indicative*** estimates are capex of \$3-5M in RY16 and incremental opex of \$9-15M over the 5 year period.
- Ultimately, we want to propose the best estimate possible in the circumstances
  - We could include a placeholder estimate of the costs in our revised AA proposal and update this in early March, once AEMO makes its decision.
  - We'd appreciate any feedback on the best way forward.

The background features a series of overlapping geometric shapes. A large, light blue shape on the left contains the word 'Questions'. To its right is a white shape, and further right is a dark blue shape. At the bottom right, there is a teal shape. The overall composition is modern and minimalist.

Questions